

AMERICAN CONSUL

GENERAL

1946 JUN 28 PM 4 21

Bombay, India, June 16, 1948

RESTRICTED

MESSAGE CENTER

SUBJECT: Indian Delegation to Egypt for Swap of Jute and Tea for Cotton.

1-1055

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to report that the Government of India has sent a Delegation to Egypt to trade jute and tea for long staple Egyptian cotton. The Delegation is composed of Mr. Kasturbhai Lalbhai, Ahmedabad Millowners' Association (leader), Mr. J.P. Patel, Bombay Millowners' Association, Mr. N.L. Kanoria, Indian Jute Mills Association, Calcutta, Mr. Debes C. Ghosh, Indian Tea Planters' Association, Calcutta, and Mr. T.P. Barat, Textile Commissioner, Bombay, as Member-Secretary.

Mr. J.P. Patel is also one of the largest Bombay cotton merchants and is representative in India for Anderson, Clayton and Company, U.S. cotton firm. He said the Delegation will discuss the amount of current cotton crop which Egypt might supply India immediately. He understands Egypt is anxious for both jute and tea from India, and feels that India is in an exceptionally good bargaining position. Mr. Patel also said although the Delegation had no definite instructions, they would undoubtedly discuss an agreement for the 1948-49 crop as well. It is the intention of the Delegation to accomplish an agreement similar to that made between Egypt and Russia.

Respectfully yours,



Charles O. Thompson
American Consul

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645.8331/6-1648

CS/V

JUL 21 1948

Despatch no. 360
Bombay, India,
June 16, 1948.

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Original and hectograph to the Department

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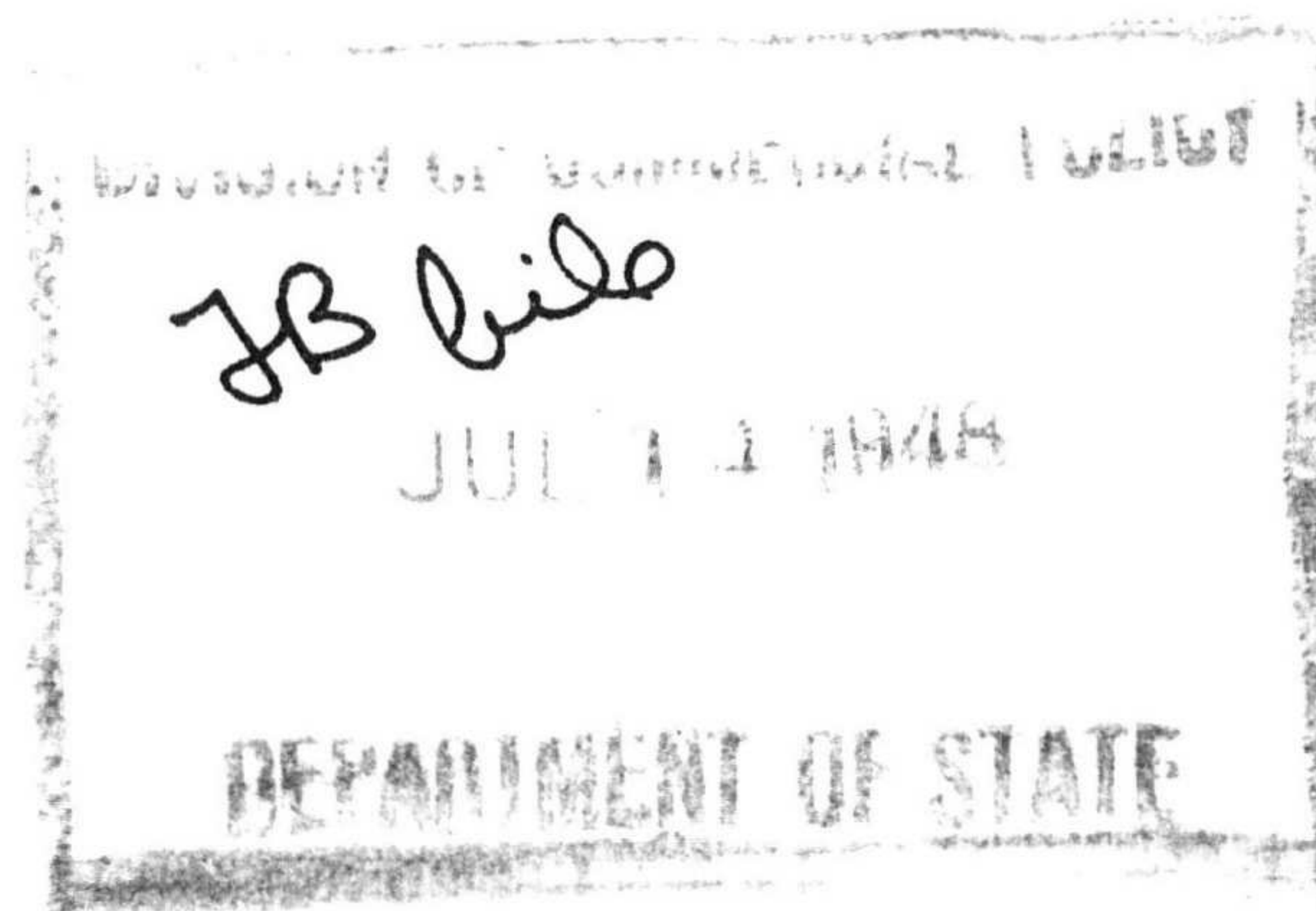
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INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

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AIRGRAM



1721

Dispatched:

July 8, 1948

From:

American Embassy
Cairo, Egypt

Date:

Received: July 13, 1948 1:06 pm

ACTION ITP

INFO
DC/R
CRP
DC/L
DCD
HIA

Secretary of State

Washington

A-443, July 3, 1948.

Ref page 7 Embassy Report No. 127, June 19, 1948.

Indian delegation left Cairo without reaching agreement
barter of jute and tea for Egyptian cotton. Unofficially reported
Egypt not interested in obtaining more tea or jute and India
considered price long staple cotton too high.

PATTERSON

ERRatum: 131

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| INFORMATION | |
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645.8331/7-348

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Token THE FOREIGN SERVICE

OF THE

UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 570

Cairo, Egypt, June 10, 1949

Section to DC/R

Subject: Commercial Agreement between Egypt and India

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The Officer in Charge of the American Embassy at Cairo has the honor to report certain information obtained by a representative of the Embassy in an interview with Moustapha El-KHOUFY Bey, Controller General of the Economic and Financial Section, Ministry of Finance, concerning the commercial agreement signed by Egypt and India in New Delhi on May 10, 1949, which agreement has been forwarded for ratification to Parliament and is expected to receive ratification during the present session.

The agreement, which was signed by Muhamed ZAKY Bey, representing the Egyptian Government and heading the Egyptian delegation, and M. C. DESAI, representing the Ministry of Commerce of India, was signed provisionally for one year and will enter into force after ratification by the two governments.

Under the terms of the agreement, India will export to Egypt products of jute, tea, tobacco, textiles, manufactured articles, and electrical products in exchange for rice, cotton, gypsum, rock phosphate, and flax. The section of the agreement relative to jute and rice will become immediately applicable.

In accordance with the terms of the agreement, Egypt and India agree to extend to each other most favored nation treatment under the commercial plan.

The amount of Egyptian annual exports to India has been fixed at a value of L.E. 33,000,000* and will include 4,000 tons of rice and 300,000 bales of cotton. Annual imports to Egypt from India are fixed at a value of L.E. 8,250,000 and will include 48,000 tons of jute products, 4,000 tons of oil, 2,000 tons of tea, 2,000 tons of tobacco, 4,000 tons of peanuts, and 4,000 tons of peanut oil.

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(*) L.E. 1 equals approximately \$4.15

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OFFICE OF
INTERNATIONAL TRADE POLICY

JUN 22 1949

JUN 23 1949

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RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

645.8331/6-1049

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Cairo Despatch No. 570, June 10, 1949

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The representative of the Embassy was informed by El-Khoumy Bey that a copy of the commercial agreement would be furnished the Embassy as soon as it is approved by Parliament, which should be in the near future.

HGMintigerode/fm

File no. 510.1

Sent Department in parchment mat

Copies to: William L. Jenkins, Esquire,

Division of Near Eastern Affairs;

Division of Near Eastern Affairs.

American Embassy, New Delhi

U N C L A S S I F I E D



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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file 11

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AMERICAN EMBASSY *CR*

REC'D
JULY 18

NO. 572

New Delhi, India, July 5, 1949

ACTION
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SUBJECT: Bilateral Trade Agreements: Recommendations of
the Federation of Indian Chambers of Commerce
and Industry.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

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SIR:

I have the honor to quote the following statements from
a press account of a communication addressed to the Govern-
ment of India by the Federation of Indian Chambers of Commerce
and Industry:

"The communication points out that so far a bilateral
trade agreement has been signed with only one Middle East
country, namely, Egypt.

The Government, the communication says, should bear
in mind the fact that geographically and economically,
India should look forward to increasing her trade with
her neighbouring countries, which are a potential market
for Indian goods.

Welcoming the provision contained in India's trade
agreements such as those with Yugoslavia, Czechoslovakia,
Poland and Finland, where it has been stated that Indian
ships will be allowed to carry a reasonable proportion of
trade, the Committee of the Federation has urged upon the
Government to judge the extent of invisible trade deficits
or surpluses as minutely as possible and lay specific
provisions in the trade agreements about them.

In this connection, the Committee commends that the
Government should have a similar stipulation in regard
to the utilization of Indian insurance and banking to
decrease India's invisible imports and also to encourage
the entry of these services in overseas transactions.

Attention of the Government has also been drawn to
the fact that items of export included in these trade
agreements follow a completely traditional pattern.

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American Embassy
New Delhi, India
Despatch No. 672
July 5, 1949

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Under the trade agreements, India has contracted to export to various countries raw jute, jute manufactures, manganese ore, hides and skins, certain minerals, shellac, mica, groundnuts, tobacco and tea and such other commodities which already have a somewhat "assured market" in various countries including the hard currency areas.

Although most of the agreements do not prohibit trade in items other than those specified in the Schedules in the trade agreements, it is absolutely essential that greater attention should be paid to include in the Schedules articles for which India aspires to develop an export trade.

Looked at from this point of view of developing the export trade, the utility of these trade agreements has not at all been great. On the other hand, the communication says, India has taken quite a few unessential items from various countries such as sheet and plate glass, bangles, leather goods, wooden buttons, small quantities of caustic soda, soda ash and cigarette paper."

Respectfully yours,

For the Ambassador:

Howard Donovan
Counselor of Embassy

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Copies to: All Consular Offices in India

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645.8331/9-2049

FILE NO. DESP. 853 FROM CAIRO JUN 6 1950

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OCT 12 1949

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UNITED STATES OF AMERICA

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645. 8331/9-2049

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AMERICAN EMBASSY

Cairo, Egypt, September 20, 1949.

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Subject: Transmission of a copy of the Trade Agreement between the
Royal Egyptian Government and the Government of India.

The Officer in Charge of the American Mission at Cairo has the honor to refer to Unclassified Despatch No. 570 of June 10, 1949 entitled "Commercial Agreement between Egypt and India" and to enclose a copy of this agreement with pertinent attachments which has just been obtained from the Royal Ministry of Foreign Affairs.

It is regretted that owing to lack of secretarial help, it has been impossible to make and furnish adequate copies.

Enclosure: *cut*

1. Commercial Agreement between Egypt and India, with pertinent attachments.

Copy to Division of Near Eastern Affairs

Copy to Mr. Stuart Nelson, Division of Near Eastern Affairs

Sent to Department in parchment mat

File No. 510.1

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